

105TH CONGRESS  
2D SESSION

# S. 1858

To amend the Social Security Act to provide individuals with disabilities with incentives to become economically self-sufficient.

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IN THE SENATE OF THE UNITED STATES

MARCH 25, 1998

Mr. JEFFORDS (for himself, Mr. KENNEDY, and Mr. HARKIN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Social Security Act to provide individuals with disabilities with incentives to become economically self-sufficient.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Work Incentives Improvement Act of 1998”.

6 (b) TABLE OF CONTENTS.—The table of contents of  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings and purposes.

### TITLE I—ESTABLISHMENT OF OPTIONS PROGRAM

Sec. 101. OPTIONS program for working individuals with disabilities.

Sec. 102. Work incentive counseling and assistance program.

TITLE II—EXPANDED AVAILABILITY OF HEALTH CARE SERVICES

Sec. 201. State work options program under medicaid.

Sec. 202. Extension of medicare benefits for SSDI OPTIONS program participants.

TITLE III—DEMONSTRATION PROJECTS AND OUTREACH

Sec. 301. Demonstration projects.

Sec. 302. Information and outreach regarding work opportunities for individuals with a disability.

TITLE IV—MISCELLANEOUS

Sec. 401. Report and recommendations to Congress.

Sec. 402. Effective dates.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—Congress makes the following find-  
3 ings:

4 (1) Health care is important to all Americans.

5 (2) Health care is particularly important to in-  
6 dividuals with disabilities and special health care  
7 needs who often cannot afford the insurance avail-  
8 able to them through the private market, are unin-  
9 surable by the plans available in the private sector,  
10 and are at great risk of incurring very high and dev-  
11 astating health care costs.

12 (3) Americans with severe disabilities and spe-  
13 cial health care needs often are unable to obtain in-  
14 surance that provides them with the necessary serv-  
15 ices, such as personal assistance services, prescrip-  
16 tion drugs, and durable medical equipment, that

1 they need to maintain their employment and inde-  
2 pendence.

3 (4) For individuals with disabilities, the fear of  
4 losing health care and related services is one of the  
5 greatest barriers keeping the individuals from maxi-  
6 mizing their employment and earning potential.

7 (5) Social security disability insurance (DI)  
8 beneficiaries and supplemental security income (SSI)  
9 disability recipients risk losing medicare or medicaid  
10 coverage that is linked to their cash benefits, a risk  
11 that is an equal, or greater, work disincentive than  
12 the loss of cash benefits associated with working.

13 (6) Currently, less than  $\frac{1}{2}$  of 1 percent of so-  
14 cial security disability insurance and supplemental  
15 security income beneficiaries cease to receive benefits  
16 as a result of employment.

17 (7) If an additional  $\frac{1}{2}$  of 1 percent of the cur-  
18 rent social security disability insurance (DI) and  
19 supplemental security income (SSI) recipients were  
20 to cease receiving benefits as a result of employ-  
21 ment, the savings in cash assistance would total  
22 \$3,500,000,000 over the work life of the individuals.

23 (b) PURPOSES.—The purposes of this Act are as fol-  
24 lows:

1           (1) To provide health care services to individ-  
 2           uals with disabilities that will enable those individ-  
 3           uals to cease to receive social security disability in-  
 4           surance benefits and become employed and inde-  
 5           pendent.

6           (2) To provide States with the option of allow-  
 7           ing individuals with disabilities to purchase, through  
 8           medicaid and subject to a copayment requirement,  
 9           the personal assistance services and prescription  
 10          drugs that the private insurance available to such in-  
 11          dividuals does not provide.

12          (3) To provide individuals with disabilities with  
 13          the option of purchasing and maintaining medicare  
 14          coverage after returning to work.

15           **TITLE I—ESTABLISHMENT OF**  
 16           **OPTIONS PROGRAM**

17           **SEC. 101. OPTIONS PROGRAM FOR WORKING INDIVIDUALS**  
 18           **WITH DISABILITIES.**

19           (a) ESTABLISHMENT.—Title XI of the Social Secu-  
 20          rity Act (42 U.S.C. 1301 et seq.) is amended by adding  
 21          at the end the following:

22           “PART D—OPTIONS PROGRAM FOR WORKING  
 23           INDIVIDUALS WITH DISABILITIES  
 24           “DEFINITIONS

25           “SEC. 1181. In this part:

1           “(1) COMMISSIONER.—The term ‘Commis-  
2           sioner’ means the Commissioner of Social Security.

3           “(2) ELIGIBLE WORKING INDIVIDUAL WITH A  
4           DISABILITY.—The term ‘eligible working individual  
5           with a disability’ means an individual who, based on  
6           a determination by the State, is found eligible for  
7           personal assistance services or prescribed drugs  
8           under section 1929A because without such services  
9           or drugs the individual would be unable to perform  
10          essential functions of the employment position that  
11          the individual holds or desires, but does not include  
12          any individual who is receiving—

13                   “(A) disability benefits under title II; or

14                   “(B) supplemental security income benefits  
15                   under title XVI.

16          “(3) SSDI OPTIONS PROGRAM PARTICI-  
17          PANT.—The term ‘SSDI OPTIONS program partici-  
18          ipant’ means an individual eligible for cash benefits  
19          under title 223 on the basis of being disabled who  
20          has elected to participate in the OPTIONS program  
21          established under this part.

22          “(4) SUBSTANTIAL GAINFUL ACTIVITY.—The  
23          term ‘substantial gainful activity’ has the meaning  
24          given that term under section 223 with respect to an  
25          individual who has been determined to be eligible for

1 cash benefits under such section on the basis of  
 2 being disabled.

3 “OPPORTUNITY TO FULLY INTEGRATE THROUGH  
 4 OCCUPATIONS

5 “SEC. 1182. (a) ESTABLISHMENT OF OPTIONS  
 6 PROGRAM.—

7 “(1) IN GENERAL.—The Commissioner, in con-  
 8 sultation with the Secretary, shall establish a pro-  
 9 gram, to be known as the OPTIONS program,  
 10 under which—

11 “(A) an eligible working individual with a  
 12 disability and a SSDI OPTIONS program par-  
 13 ticipant—

14 “(i) shall receive, without being sub-  
 15 jected to a waiting period, work incentive  
 16 services under title XIX to the extent the  
 17 State in which the individual or participant  
 18 resides makes such services available in ac-  
 19 cordance with section 1929A; and

20 “(ii) shall receive work counseling and  
 21 assistance, as provided under section 1183;  
 22 and

23 “(B) a SSDI OPTIONS program partici-  
 24 pant—

25 “(i) shall be provided, after having  
 26 been entitled to receive cash benefits under

1 section 223 for at least 24 months (or hav-  
2 ing participated in the OPTIONS program  
3 for at least such period), with the oppor-  
4 tunity to purchase hospital insurance bene-  
5 fits under part A of title XVIII and sup-  
6 plementary medical insurance benefits  
7 under part B of such title, in accordance  
8 with section 1818B, for as long as the in-  
9 dividual participates in the OPTIONS pro-  
10 gram; and

11 “(ii) shall choose—

12 “(I) to waive cash benefits under  
13 section 223 and acquire average  
14 monthly earnings from substantial  
15 gainful activity in excess of the  
16 amount designated to represent such  
17 activity by the Commissioner; or

18 “(II) if at the time the individual  
19 first elects to participate in the OP-  
20 TIONS program, the individual has  
21 received cash benefits under section  
22 223 for at least 24 months, to not  
23 waive cash benefits under section 223,  
24 and to continue to be subject to the  
25 limitation imposed by the Commis-

1                   sioner for other disability beneficiaries  
2                   under section 223 with respect to av-  
3                   erage monthly earnings from substan-  
4                   tial gainful activity.

5                   “(2) WAIVER OF CASH BENEFITS HAS NO EF-  
6                   FECT ON BENEFITS FOR DEPENDENTS AND SUR-  
7                   VIVORS.—A waiver of cash benefits under paragraph  
8                   (1)(B)(ii)(I) by an individual shall have no effect on  
9                   the eligibility for, or entitlement to, benefits of a de-  
10                  pendent or survivor of such individual under section  
11                  202.

12                  “(b) OPTIONS FORM.—The Commissioner shall  
13                  prepare and disseminate a form that shall be entitled ‘Op-  
14                  portunity to Fully Integrate Through Occupations Pro-  
15                  gram’. The form shall be used by an individual to elect  
16                  to participate in the OPTIONS program.

17                  “(c) TIMING.—An individual may elect to participate  
18                  in the OPTIONS program at any time.

19                  “(d) CONTINUING DISABILITY AND OTHER WORK-  
20                  RELATED REVIEWS.—

21                  “(1) REGULAR REVIEWS.—A SSDI OPTIONS  
22                  program participant shall continue to be subject to  
23                  continuing disability reviews on the same regularly  
24                  scheduled basis that would occur if the individual

1 had not chosen to participate in the OPTIONS pro-  
2 gram.

3 “(2) WORK ACTIVITY, OR THE CESSATION OF  
4 WORK ACTIVITY, MAY NOT BE THE BASIS FOR A RE-  
5 VIEW, A FINDING OF NO DISABILITY, OR A PRESUMP-  
6 TION OF AN INABILITY TO WORK.—No continuing  
7 disability review or any other work-related review  
8 may be scheduled for a SSDI OPTIONS program  
9 participant solely as a result of work activity en-  
10 gaged in by the individual while participating in the  
11 OPTIONS program, no work activity engaged in by  
12 the individual while participating in the program  
13 may be used as evidence that the individual is no  
14 longer disabled, and no cessation of work activity by  
15 the individual while participating in the program  
16 may give rise to a presumption that the individual  
17 is unable to engage in work.

18 “(e) RULES APPLICABLE TO SSDI OPTIONS PRO-  
19 GRAM PARTICIPANTS WHO CHOOSE TO RETAIN CASH  
20 DISABILITY BENEFITS.—

21 “(1) DETERMINATION OF IMPAIRMENT-RELAT-  
22 ED WORK EXPENSES.—In the case of a SSDI OP-  
23 TIONS program participant who chooses to continue  
24 to receive cash benefits under section 223, the deter-  
25 mination of the participant’s impairment-related

1 work expenses for purposes of determining the ex-  
2 tent to which the participant has engaged in sub-  
3 stantial gainful activity shall include expenditures in-  
4 curred by the participant for items and services re-  
5 lated to the preparation for, and traveling to and  
6 from, employment, including expenditures for dura-  
7 ble medical equipment, as defined in section  
8 1861(n), adapting a vehicle for the participant, and  
9 orientation mobility services.

10 “(2) EXCLUSION OF COST OF A VEHICLE FROM  
11 INCOME OF RURAL RESIDENTS.—

12 “(A) IN GENERAL.—In the case of a SSDI  
13 OPTIONS program participant who chooses to  
14 continue to receive cash benefits under section  
15 223 and who resides in a rural area, the Com-  
16 missioner shall exclude from the monthly deter-  
17 mination of the participant’s income the cost of  
18 obtaining a vehicle for the participant, subject  
19 to such reasonable limits as the Commissioner  
20 may prescribe.

21 “(B) ONE-TIME EXCLUSION.—The exclu-  
22 sion authorized under subparagraph (A) may  
23 only be made with respect to 1 vehicle per par-  
24 ticipant.

1           “(C) DEFINITION OF RURAL AREA.—For  
2           purposes of subparagraph (A), the term ‘rural  
3           area’ means any area that does not have rea-  
4           sonably available and accessible public transpor-  
5           tation, as determined by the Commissioner.

6           “(3) OVERPAYMENT OF BENEFITS.—Any erro-  
7           neous overpayments of cash benefits to a SSDI OP-  
8           TIONS program participant who chooses to continue  
9           to receive cash benefits under section 223 that are  
10          not the result of fraudulent or deceptive activity by,  
11          or information from, the individual shall be retained  
12          by the participant.

13          “(f) TERMINATION OF EMPLOYMENT.—If a SSDI  
14          OPTIONS program participant terminates his or her em-  
15          ployment, the participant—

16                 “(1) shall no longer be considered a SSDI OP-  
17                 TIONS program participant for purposes of this  
18                 part, section 226(j), or section 1929A;

19                 “(2) shall be presumed automatically eligible  
20                 for cash benefits under section 223 and hospital in-  
21                 surance benefits under section 226, and for supple-  
22                 mental security income benefits under title XVI and  
23                 medical assistance under title XIX (if applicable),  
24                 and any month in which the participant participated  
25                 in the OPTIONS program shall be included in the

1 determination of the 24-month period required for  
2 hospital insurance benefits under section  
3 226(b)(2)(A); and

4 “(3) shall continue to be eligible for work incen-  
5 tive services offered in accordance with section  
6 1929A, only to the extent that the State where the  
7 participant resides offers such services and the par-  
8 ticipant otherwise qualifies for such services.

9 “(g) NO EFFECT ON ELIGIBILITY FOR TITLE XX  
10 AND OTHER PROGRAMS.—Participation in the OPTIONS  
11 program by an eligible working individual with a disability  
12 or a SSDI OPTIONS program participant shall have no  
13 effect (except to the extent that such participation is a  
14 condition for eligibility for work incentive services under  
15 section 1929A) on any benefits that the individual or par-  
16 ticipant is eligible for, or provided under, title XX or any  
17 other Federal or State program (other than the programs  
18 under titles II and XVIII).

19 “RESERVED

20 “SEC. 1183. [Reserved].

21 “REGULATIONS

22 “SEC. 1184. Not later than 1 year after the date of  
23 enactment of this part, the Commissioner, in consultation  
24 with the Secretary, shall promulgate such final regula-  
25 tions, including regulations related to ensuring program

1 integrity, as are necessary to implement the OPTIONS  
2 program established under this part.

3 “REPORTS

4 “SEC. 1185. The Commissioner, in consultation with  
5 the Secretary, shall submit the following reports to the  
6 appropriate committees of Congress:

7 “(1) Not later than 3 years after the date of  
8 enactment of the OPTIONS program, a report on  
9 the establishment of the program.

10 “(2) Not later than 5 years after such date, a  
11 report on the progress of the OPTIONS program.

12 “(3) Not later than 7 years after such date, a  
13 final report recommending whether the OPTIONS  
14 program should be permanently authorized.

15 “APPROPRIATIONS

16 “SEC. 1186. (a) IN GENERAL.—Out of any funds in  
17 the Treasury not otherwise appropriated, there are appro-  
18 priated such sums as may be necessary to carry out the  
19 OPTIONS program established under this part, other  
20 than the work incentive counseling and assistance pro-  
21 gram established under section 1183.

22 “(b) WORK INCENTIVE COUNSELING AND ASSIST-  
23 ANCE PROGRAM.—The Commissioner shall use funds ap-  
24 propriated and otherwise made available for programs  
25 under titles II and XVI of this Act to carry out the work

1 incentive counseling and assistance program established  
2 under section 1183.

3 “SUNSET

4 “SEC. 1187. The OPTIONS program established  
5 under this part shall terminate on the date that is 10  
6 years after the date of enactment of this part.”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) EXTENDED PERIOD OF ELIGIBILITY.—Sec-  
9 tion 223(a)(1) of the Social Security Act (42 U.S.C.  
10 423(a)(1)) is amended by inserting after the second  
11 sentence the following: “For purposes of subclause  
12 (II) of the preceding sentence, the determination of  
13 the 36-month period shall not include a month in  
14 which the individual was a SSDI OPTIONS pro-  
15 gram participant.”.

16 (2) PERIOD OF TRIAL WORK.—The last sen-  
17 tence of section 222(c)(3) of the Social Security Act  
18 (42 U.S.C. 422(c)(3)) is amended by inserting be-  
19 fore the period the following: “; and no such period  
20 may begin in or include a month in which the indi-  
21 vidual was a SSDI OPTIONS program participant”.

22 (3) NONAPPLICATION OF ENTITLEMENT TO  
23 HOSPITAL INSURANCE BENEFITS; CROSS-REF-  
24ERENCE.—Section 226 of the Social Security Act  
25 (42 U.S.C. 426) is amended by adding at the end  
26 the following:

1 “NONAPPLICATION TO OPTIONS PARTICIPANTS; CROSS-  
2 REFERENCE

3 “(j) Subsection (b) shall not apply to any individual  
4 that would otherwise be entitled to hospital insurance ben-  
5 efits under such subsection who is a SSDI OPTIONS pro-  
6 gram participant, as defined in section 1181(3). For provi-  
7 sions relating to the availability of health care benefits  
8 under sections 1818B and 1929A for such individuals, and  
9 to eligibility for work counseling and assistance, as pro-  
10 vided in section 1183, see part D of title XI.”.

11 (4) ADDITIONAL CROSS-REFERENCE.—Section  
12 223 of the Social Security Act (42 U.S.C. 423 is  
13 amended by adding at the end the following:

14 “OPTIONAL WAIVER OF BENEFITS  
15 “(j) For provisions relating to the availability of  
16 health care benefits under sections 1818B and 1929A for  
17 individuals who participate in the OPTIONS program es-  
18 tablished under part D of title XI, and to eligibility for  
19 work counseling and assistance, as provided in section  
20 1183, see part D of title XI.”.

21 (5) HEADING OF TITLE XI.—Title XI of the So-  
22 cial Security Act (42 U.S.C. 1301 et seq.) is amend-  
23 ed in the title by striking “AND ADMINISTRA-  
24 TIVE SIMPLIFICATION” and inserting “ADMIN-  
25 ISTRATIVE SIMPLIFICATION, AND OPTIONS

1 PROGRAM FOR WORKING INDIVIDUALS  
2 WITH DISABILITIES”.

3 **SEC. 102. WORK INCENTIVE COUNSELING AND ASSISTANCE**  
4 **PROGRAM.**

5 Section 1183 of the Social Security Act (as added by  
6 section 101(a)) is amended to read as follows:

7 “WORK INCENTIVE COUNSELING AND ASSISTANCE  
8 PROGRAM

9 “SEC. 1183. (a) ESTABLISHMENT.—The Commis-  
10 sioner shall establish a community-based work incentive  
11 counseling and assistance program under which the Com-  
12 missioner shall enter into agreements to provide counsel-  
13 ing and assistance to eligible working individuals with a  
14 disability and SSDI OPTIONS program participants. The  
15 agreements authorized under the preceding sentence shall  
16 be made with States and public and private agencies and  
17 organizations (other than Social Security Administration  
18 Field Offices) that the Commissioner determines have ex-  
19 perience in providing rehabilitation services or independ-  
20 ent living and social services to working individuals with  
21 disabilities, and are qualified to provide counseling and as-  
22 sistance in accordance with the requirements described in  
23 subsection (b). The agreements may be made with any of  
24 the following:

25 “(1) Vocational rehabilitation agencies.

1           “(2) The State agency administering the State  
2 program funded under part A of title IV.

3           “(3) The State agency administering the State  
4 medicaid program under title XIX.

5           “(4) State employment training and placement  
6 agencies.

7           “(5) Any other public or private agency or or-  
8 ganization that the Commissioner determines satis-  
9 fies the requirements of this section.

10          “(b) REQUIREMENTS.—

11           “(1) IN GENERAL.—Counselors for the program  
12 established under this section shall—

13           “(A) assess the education and skills of an  
14 eligible working individual with a disability or a  
15 SSDI OPTIONS program participant, in co-  
16 ordination and communication with the local  
17 Social Security Administration Field Office for  
18 the area in which such individual or participant  
19 resides;

20           “(B) on the basis of the assessment con-  
21 ducted under subparagraph (A), assist in the  
22 identification of employment or vocational reha-  
23 bilitation opportunities that may be available to  
24 the individual or participant; and

1           “(C) advise the individual or participant on  
2           the adequacy of any health benefits coverage  
3           that may be offered by an employer of the indi-  
4           vidual or participant and the extent to which  
5           other health benefits coverage may be available  
6           to the individual or participant, including per-  
7           sonal assistance services and prescription drugs  
8           provided under section 1929A, if the State in  
9           which the individual or participant resides opts  
10          to provide such services.

11          “(2) COORDINATION WITH OTHER PRO-  
12          GRAMS.—The program established under this section  
13          shall be conducted in coordination with other public  
14          and private programs that provide information and  
15          assistance regarding rehabilitation services and inde-  
16          pendent living supports and benefits counseling for  
17          working individuals with disabilities.

18          “(3) OPTIONS TRAINING FOR SOCIAL SECURITY  
19          ADMINISTRATION FIELD OFFICE WORK INCENTIVE  
20          DESIGNEES.—The Commissioner shall provide train-  
21          ing regarding the OPTIONS program for the em-  
22          ployee in each Social Security Administration Field  
23          Office that is designated to act as the work incentive  
24          coordinator for that office.”.

1 **TITLE II—EXPANDED AVAILABIL-**  
 2 **ITY OF HEALTH CARE SERV-**  
 3 **ICES**

4 **SEC. 201. STATE WORK OPTIONS PROGRAM UNDER MEDIC-**  
 5 **AID.**

6 (a) STATE OPTION TO PROVIDE WORK INCENTIVE  
 7 SERVICES.—Title XIX of the Social Security Act (42  
 8 U.S.C. 1396 et seq.) is amended by inserting after section  
 9 1929 the following:

10 “STATE WORK OPTIONS PROGRAM

11 “SEC. 1929A. (a) DEFINITIONS.—In this section:

12 “(1) PERSONAL ASSISTANCE SERVICES.—The  
 13 term ‘personal assistance services’ means a range of  
 14 services, provided by 1 or more persons, designed to  
 15 assist an individual with a disability to perform daily  
 16 living activities on or off the job that the individual  
 17 would typically perform if the individual did not  
 18 have a disability. Such services shall be designed to  
 19 increase the individual’s control in life and ability to  
 20 perform everyday activities on or off the job.

21 “(2) ELIGIBLE WORKING INDIVIDUAL WITH A  
 22 DISABILITY.—The term ‘eligible working individual  
 23 with a disability’ means an individual who, based on  
 24 a determination by the State, is found eligible for  
 25 personal assistance services or prescribed drugs

1 under this section because without such services or  
2 drugs the individual would be unable to perform es-  
3 sential functions of the employment position that the  
4 individual holds or desires, but does not include any  
5 individual who is receiving—

6 “(A) disability benefits under title II; or

7 “(B) supplemental security income benefits  
8 under title XVI.

9 “(3) QUALIFIED ELIGIBLE WORKING INDIVID-  
10 UAL WITH A DISABILITY.—The term ‘qualified eligi-  
11 ble working individual with a disability’ means an in-  
12 dividual who has attained age 18 but has not at-  
13 tained age 65, and who—

14 “(A) is an eligible working individual with  
15 a disability;

16 “(B) is a SSDI OPTIONS program partic-  
17 ipant; or

18 “(C) engages in substantial gainful activity  
19 in accordance with subsection (a) or (b) of sec-  
20 tion 1619.

21 “(4) SSDI OPTIONS PROGRAM PARTICI-  
22 PANT.—The term ‘SSDI OPTIONS program partic-  
23 ipant’ has the meaning given that term in section  
24 1181(3).

1           “(5) WORK ELIGIBLE INDIVIDUAL.—The term  
2           ‘work eligible individual’ means an individual who—

3                   “(A) has attained age 16 but has not at-  
4                   tained age 65;

5                   “(B) is entitled to cash benefits under sec-  
6                   tion 223 or eligible for supplemental security  
7                   income benefits under title XVI;

8                   “(C) is not engaged in work, as determined  
9                   under the State plan; and

10                   “(D) the State, in accordance with regula-  
11                   tions issued by the Secretary, determines is in  
12                   a transition to work readiness or is otherwise  
13                   work eligible.

14           “(6) WORK INCENTIVE SERVICES.—The term  
15           ‘work incentive services’ means personal assistance  
16           services and prescribed drugs.

17           “(b) STATE OPTION.—

18                   “(1) IN GENERAL.—A State that elects through  
19                   a plan amendment to provide work incentive services  
20                   to qualified eligible working individuals with a dis-  
21                   ability and to work eligible individuals shall offer  
22                   such services in accordance with the provisions of  
23                   this section.

24                   “(2) ELIGIBILITY.—Only a State that, as of the  
25                   date of enactment of this section, does not offer

1 under the State plan or a waiver of such plan, serv-  
2 ices that would otherwise be considered work incen-  
3 tive services under this section to individuals who  
4 would otherwise qualify for work incentive services  
5 under this section, may elect to offer work incentive  
6 services under this section.

7 “(3) MAINTENANCE OF EFFORT OF AMOUNTS  
8 EXPENDED FOR SUPPORT OF INDIVIDUALS WITH  
9 DISABILITIES.—A State that elects to offer work in-  
10 centive services in accordance with this section may  
11 not reduce the amount of State expenditures for in-  
12 dividuals with disabilities below the level of such ex-  
13 penditures in fiscal year 1997. For purposes of this  
14 subparagraph, the term ‘State expenditures’ means  
15 expenditures by the State from amounts other than  
16 amounts made available by the Federal government  
17 and for which no Federal match, reimbursement, or  
18 payment is made.

19 “(4) WAIVER OF REQUIREMENTS.—The Sec-  
20 retary may waive such provisions of this title as are  
21 necessary to carry out the provisions of this section  
22 other than—

23 “(A) section 1902(a)(1) (relating to  
24 statewideness);

1           “(B) subject to subsection (d), section  
2           1902(a)(10)(B) (relating to comparability of  
3           amount, duration, and scope of services); and

4           “(C) the requirements imposed under this  
5           title for a State to provide services under the  
6           State plan that are reasonable in amount, dura-  
7           tion, and scope to achieve the purpose of such  
8           services.

9           “(c) LIMITATIONS ON PREMIUMS AND COST-SHAR-  
10          ING.—

11           “(1) INDIVIDUALS WITH INCOME BELOW 150  
12          PERCENT OF POVERTY LINE.—In the case of a  
13          qualified eligible working individual with a disability  
14          or a work eligible individual whose income is at or  
15          below 150 percent of the poverty line (as defined in  
16          section 673(2) of the Community Services Block  
17          Grant Act (42 U.S.C. 9902(2)), including any revi-  
18          sion required by such section for a family of the size  
19          involved), a State may not impose any enrollment  
20          fee, premium, deductible, cost sharing, or similar  
21          charge for receipt of work incentive services under  
22          this section.

23           “(2) OTHER INDIVIDUALS.—In the case of a  
24          qualified eligible working individual with a disability  
25          or a work eligible individual who is not described in

1 paragraph (1), a State may impose an enrollment  
2 fee, premium, deductible, cost sharing, or similar  
3 charge on a sliding scale basis related to income,  
4 consistent with standards and regulations applicable  
5 to such charges under section 1916.

6 “(d) PRIORITY FOR 16- THROUGH 25-YEAR-OLD  
7 WORK ELIGIBLE INDIVIDUALS FOR PERSONAL ASSIST-  
8 ANCE SERVICES.—A State shall give priority for receipt  
9 of personal assistance services to work eligible individuals  
10 who have attained age 16 but have not attained age 26.

11 “(e) ENHANCED FMAP.—Notwithstanding the first  
12 sentence of section 1905(b), the Federal medical assist-  
13 ance percentage for work incentive services provided under  
14 this section is equal to the enhanced FMAP described in  
15 section 2105(b).

16 “(f) OTHER REQUIREMENTS.—

17 “(1) CONSUMER CHOICE IN DELIVERY OF PER-  
18 SONAL ASSISTANCE SERVICES.—A State shall pro-  
19 vide qualified eligible working individuals with a dis-  
20 ability and work eligible individuals with a choice of  
21 provider models for receiving personal assistance  
22 services in accordance with this section and may not  
23 require that such services be ordered by a physician  
24 in order to be available to such individuals.

1           “(2) MEDICAID COVERAGE OF LAST RESORT.—

2           No payment may be made under this section for any  
3           work incentive services provided under this section  
4           to a qualified eligible working individual with a dis-  
5           ability or a work eligible individual who is eligible for  
6           coverage of such services under—

7                   “(A) health benefits coverage offered by  
8                   the individual’s employer; or

9                   “(B) any other coverage or payment avail-  
10                  able for such services, including a vocational re-  
11                  habilitation program.

12           “(3) APPEALS PROCESS.—Each State that  
13           elects to provide work incentive services under this  
14           section shall provide an appeals process for challeng-  
15           ing the manner in which such services are provided  
16           and the denial of such services, consistent with the  
17           process for appealing other challenges to eligibility  
18           for, or the extent of, coverage of items and services  
19           under this title.

20           “(g) RULES OF CONSTRUCTION.—

21                   “(1) LIMITATION ON ENTITLEMENT.—Except  
22                   as specifically provided under this section, nothing in  
23                   this title shall be construed as establishing any enti-  
24                   tlement of individuals described in subsection (a) to  
25                   any medical assistance provided under this title

1 other than work incentive services provided in ac-  
 2 cordance with this section.

3 “(2) NO AFFECT ON OTHER BASIS FOR ELIGI-  
 4 BILITY.—Nothing in paragraph (1) shall be con-  
 5 strued as affecting the eligibility of an individual de-  
 6 scribed in subsection (a) for medical assistance  
 7 under this title on a basis that is unrelated to the  
 8 individual’s eligibility for work incentive services  
 9 under this section.

10 “(h) REGULATIONS.—Not later than 1 year after the  
 11 date of enactment of this section, the Secretary shall pub-  
 12 lish final regulations that set forth the requirements for  
 13 offering work incentive services in accordance with this  
 14 section.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 1902(a)(10) of the Social Security  
 17 Act (42 U.S.C. 1396a(a)(10)) is amended—

18 (A) in subparagraph (E), by striking  
 19 “and” at the end;

20 (B) in subparagraph (F), by adding “and”  
 21 at the end; and

22 (C) by adding at the end the following:

23 “(G) at the option of a State, for making  
 24 work incentive services available to qualified eli-  
 25 gible working individuals with a disability and

1 work eligible individuals in accordance with sec-  
2 tion 1929A;”.

3 (2) Section 1902(a)(10)(C)(iv) of such Act (42  
4 U.S.C. 1396a(a)(10)(C)(iv)) is amended by inserting  
5 “and (27)” after “(24)”.

6 (3) Section 1903(f)(4) of the Social Security  
7 Act (42 U.S.C. 1396b(f)(4)), as amended by section  
8 162(4) of Public Law 105–100 (111 Stat. 2189), is  
9 amended by striking “or 1905(u)” and inserting “,  
10 1905(u), 1929A(a)”.

11 (4) Section 1905(a) of the Social Security Act  
12 (42 U.S.C. 1396d(a)), as amended by section 4802  
13 of the Balanced Budget Act of 1997 (Public Law  
14 105–33; 111 Stat. 538), is amended—

15 (A) by striking “and” at the end of para-  
16 graph (26);

17 (B) by redesignating paragraph (27) as  
18 paragraph (28); and

19 (C) by inserting after paragraph (26) the  
20 following:

21 “(27) work incentive services (to the extent al-  
22 lowed and as defined in section 1929A; and”.

23 (5) Section 1905(b) is amended in the first sen-  
24 tence by striking “section 1933(d)” and inserting  
25 “sections 1929A(e) and 1933(d)”.

1 **SEC. 202. EXTENSION OF MEDICARE BENEFITS FOR SSDI**  
2 **OPTIONS PROGRAM PARTICIPANTS.**

3 (a) IN GENERAL.—Title XVIII of the Social Security  
4 Act (42 U.S.C. 1395 et seq.) is amended by inserting after  
5 section 1818A the following:

6 “HOSPITAL INSURANCE AND MEDICAL SUPPLEMENTARY  
7 INSURANCE BENEFITS FOR SSDI OPTIONS PROGRAM  
8 PARTICIPANTS

9 “SEC. 1818B. (a) ELIGIBILITY.—Every individual  
10 who—

11 “(1) is a SSDI OPTIONS program participant  
12 (as defined in section 1181(3)); and

13 “(2) is not otherwise entitled to benefits under  
14 this part;

15 shall be eligible to enroll in the insurance program estab-  
16 lished by this part and part B.

17 “(b) ENROLLMENT.—The Secretary shall establish  
18 procedures for enrollment under this section.

19 “(c) COVERAGE PERIOD.—

20 “(1) IN GENERAL.—The period during which  
21 an individual described in subsection (a) is eligible  
22 for benefits under the insurance program under this  
23 part and part B (in this subsection referred to as a  
24 ‘coverage period’) shall begin on the first day of the  
25 month following the month in which the individual

1 has begun participation in the OPTIONS program  
2 established under part D of title XI.

3 “(2) TERMINATION.—An individual’s coverage  
4 period under this section shall continue until the in-  
5 dividual’s enrollment is terminated as follows:

6 “(A) As of the month following the month  
7 in which the Secretary provides notice to the in-  
8 dividual that the individual is no longer a SSDI  
9 OPTIONS program participant.

10 “(B) As of the month following the month  
11 in which the individual files notice that the indi-  
12 vidual no longer wishes to participate in the in-  
13 surance program established by this part and  
14 part B.

15 “(C) Except as provided in subsection  
16 (d)(4), as of the month following the month in  
17 which the individual becomes eligible for health  
18 benefits coverage offered by the individual’s em-  
19 ployer.

20 “(D) As of the month before the first  
21 month in which the individual becomes eligible  
22 for hospital insurance benefits under section  
23 226(a) or 226A.

1           “(E) As of a date, determined under regu-  
2           lations of the Secretary, for nonpayment of pre-  
3           miums.

4           “(F) As of the month following the month  
5           in which the date described in section 1187 oc-  
6           curs.

7           The regulations under subparagraph (E) may pro-  
8           vide a grace period of not longer than 90 days,  
9           which may be extended for a period not to exceed  
10          180 days in any case in which the Secretary deter-  
11          mines that there was good cause for failure to pay  
12          the overdue premiums within such 90-day period.  
13          Termination of coverage under this section shall re-  
14          sult in simultaneous termination of any other related  
15          coverage provided to the individual under any other  
16          part of this title.

17          “(d) PREMIUMS.—

18                 “(1) IN GENERAL.—

19                         “(A) PAYMENT TO SECRETARY.—Pre-  
20                         miums for enrollment under this section shall  
21                         be paid to the Secretary at such times, and in  
22                         such manner, as the Secretary shall by regula-  
23                         tions prescribe.

24                         “(B) TRUST FUNDS.—

1           “(i) PART A.—Premiums received by  
2           the Secretary pursuant to subparagraph  
3           (A) for coverage under this part shall be  
4           deposited in the Treasury to the credit of  
5           the Federal Hospital Insurance Trust  
6           Fund.

7           “(ii) PART B.—Premiums received by  
8           the Secretary pursuant to subparagraph  
9           (A) for coverage under part B shall be de-  
10          posited in the Treasury to the credit of the  
11          Federal Supplementary Medical Insurance  
12          Trust Fund.

13          “(C) COVERAGE PERIOD FOR PAYMENTS;  
14          NO PAYMENTS WHEN OTHERWISE ELIGIBLE.—

15                 “(i) COVERAGE PERIOD OF PAY-  
16                 MENTS.—Subject to clause (ii) and para-  
17                 graph (2)(A), such premiums shall be pay-  
18                 able for the period commencing with the  
19                 first month of an individual’s coverage pe-  
20                 riod and ending with the month in which  
21                 the individual dies or, if earlier, in which  
22                 the individual’s coverage period terminates.

23                 “(ii) NO PAYMENTS WHEN OTHER-  
24                 WISE ELIGIBLE.—Such premiums shall not  
25                 be payable for any month in which the in-

1           dividual is entitled to benefits under this  
2           part pursuant to section 226(b).

3           “(2) AMOUNT.—

4           “(A) IN GENERAL.—Except as provided in  
5           subparagraph (B), the amount of an individ-  
6           ual’s premiums for any month in an individual’s  
7           coverage period under this section shall be  
8           equal to—

9                   “(i) for coverage under this part, zero;

10                   and

11                   “(ii) for coverage under part B, the  
12                   amount of the premium determined under  
13                   section 1839(a)(3).

14           “(B) INDIVIDUALS WHOSE INCOME EX-  
15           CEEDS 250 PERCENT OF POVERTY.—If an indi-  
16           vidual’s earned income for any month in an in-  
17           dividual’s coverage period during a calendar  
18           year under this section (expressed as an annual  
19           amount) exceeds the amount equal to 250 per-  
20           cent of the poverty line (as defined in section  
21           673(2) of the Community Services Block Grant  
22           Act (42 U.S.C. 9902(2), including any revision  
23           required by such section)) for a family of the  
24           size involved for such calendar year, the amount

1 of an individual's premiums for such month  
2 shall be equal to—

3 “(i) for coverage under this part, the  
4 lesser of—

5 “(I)  $\frac{1}{12}$  of 10 percent of the  
6 amount of such excess income; or

7 “(II) the amount of the premium  
8 determined under section 1818(d);  
9 and

10 “(ii) for coverage under part B, the  
11 amount of the premium determined under  
12 section 1839(a)(3).

13 “(3) PAYMENT ON BEHALF OF INDIVIDUALS  
14 ENROLLED UNDER THIS SECTION.—The provisions  
15 of section 1818(e) (relating to payment of pre-  
16 miums) shall apply to individuals enrolled under this  
17 section in the same manner as such provisions apply  
18 to individuals enrolled under that section.

19 “(4) ELECTION TO CONTINUE MEDICARE COV-  
20 ERAGE FOR INDIVIDUALS PARTICIPATING IN AN EM-  
21 PLOYER HEALTH PLAN.—

22 “(A) IN GENERAL.—Subsection (c)(2)(C)  
23 shall not apply if an individual participates in  
24 a health insurance plan offered by the individ-

1           ual’s employer and the individual elects to con-  
2           tinue to be enrolled under this section.

3                   “(B) MEDICARE AS SECONDARY PAYER.—

4                           “(i) IN GENERAL.—If an individual  
5                           enrolled under this section participates in  
6                           the health plan offered by the employer  
7                           and elects to continue to be enrolled under  
8                           this section pursuant to subparagraph  
9                           (A)—

10                                   “(I) the health insurance offered  
11                                   by the employer shall be the primary  
12                                   payer for any health care items and  
13                                   services provided to such individual  
14                                   and payment under this title for such  
15                                   items and services shall be secondary  
16                                   pursuant to section 1862(b)(2); and

17                                   “(II) the premium for enrollment  
18                                   under this section shall be the pre-  
19                                   mium determined under paragraph  
20                                   (2).

21                                   “(ii) RULE OF CONSTRUCTION.—  
22                                   Nothing in clause (i) shall be construed as  
23                                   affecting the application of the payment  
24                                   rules described in section 1862(b)(2).

1           “(5) VERIFICATION AND ADJUSTMENTS OF  
2 PREMIUMS.—

3           “(A) VERIFICATION.—Each individual to  
4 whom this section applies shall, on the basis of  
5 information shown on the return of tax imposed  
6 by chapter 1 of the Internal Revenue Code of  
7 1986 for any taxable year, determine the dif-  
8 ference (if any) between—

9           “(i) the aggregate premiums imposed  
10 by this section for months during the cal-  
11 endar year in which the taxable year be-  
12 gins; and

13           “(ii) the aggregate amount of pre-  
14 miums paid under this section for such  
15 months with respect to the individual.

16 Such determination shall be included on a form  
17 prescribed by the Secretary and the form shall  
18 be submitted to the Secretary at such time and  
19 in such manner as the Secretary shall prescribe.

20           “(B) DEFICIENCY ADJUSTMENTS.—

21           “(i) IN GENERAL.—If the amount  
22 under subparagraph (A)(i) exceeds the  
23 amount under subparagraph (A)(ii), the  
24 individual shall include with the form re-  
25 quired to be filed under subparagraph (A)

1 a separate check made payable to the Sec-  
2 retary in an amount equal to such excess  
3 plus interest determined under clause (ii).

4 “(ii) INTEREST ON UNDERPAY-  
5 MENTS.—For purposes of clause (i)—

6 “(I) IN GENERAL.—The amount  
7 of interest taken into account shall be  
8 the sum of the amounts determined  
9 under subclause (II) for each of the  
10 months in the taxable year.

11 “(II) MONTHLY INTEREST.—In-  
12 terest shall be computed for any  
13 month in an amount determined by  
14 applying the underpayment rate es-  
15 tablished under section 6621 of the  
16 Internal Revenue Code of 1986 to any  
17 portion of the underpayment for the  
18 period beginning on the first day of  
19 the following month and ending on  
20 the date the portion is paid. For pur-  
21 poses of this subclause, payments  
22 shall be applied to months in order,  
23 beginning with the earliest.

24 “(III) SAFE-HARBOR EXCEP-  
25 TION.—No interest shall be imposed

1           for any month if the individual's esti-  
2           mate of earned income under para-  
3           graph (2) on which the premium for  
4           the month was based was not less  
5           than the individual's earned income  
6           determined on the basis of informa-  
7           tion shown on the return of tax im-  
8           posed by chapter 1 of such Code for  
9           the taxable year ending with or within  
10          the calendar year preceding the cal-  
11          endar year in which the estimate was  
12          made.

13           “(C) OVERPAYMENT ADJUSTMENTS.—If  
14          the amount under subparagraph (A)(ii) exceeds  
15          the amount under subparagraph (A)(i), the Sec-  
16          retary shall, at the Secretary's discretion—

17           “(i) credit such excess against any  
18          premium required under this section; or

19           “(ii) make a payment to the individual  
20          in the amount of such excess.

21           “(D) ADJUSTMENTS BY SECRETARY.—If  
22          the Secretary determines, on the basis of infor-  
23          mation received from the Secretary of the  
24          Treasury under section 6103(l)(17) of the In-  
25          ternal Revenue Code of 1986, that there was an

1 underpayment or overpayment of the aggregate  
2 premiums for months during any taxable year  
3 (after any other adjustment under this para-  
4 graph), the Secretary shall—

5 “(i) notify the individual of such un-  
6 derpayment or overpayment,

7 “(ii) in the case of an under-  
8 payment—

9 “(I) give such individual an op-  
10 portunity for a hearing with respect to  
11 such underpayment and a reasonable  
12 time for payment of such under-  
13 payment and interest determined  
14 under subparagraph (B)(i), and

15 “(II) collect the amount of any  
16 underpayment and interest not paid  
17 under subclause (I) in such manner as  
18 the Secretary may prescribe, and

19 “(iii) in the case of an overpayment,  
20 take the actions described in subparagraph  
21 (C).

22 “(6) EARNED INCOME.—For purposes of this  
23 subsection, the term ‘earned income’ has the mean-  
24 ing given such term by section 32(c)(2) of the Inter-  
25 nal Revenue Code of 1986.

1           “(7) AGREEMENT WITH COMMISSIONER.—In  
2 order to promote the efficient administration of this  
3 subsection, the Secretary may enter into an agree-  
4 ment with the Commissioner of Social Security  
5 under which the Commissioner performs administra-  
6 tive responsibilities under this subsection.”.

7           (b) DISCLOSURE OF INFORMATION.—Section 6103(l)  
8 of the Internal Revenue Code of 1986 (relating to disclo-  
9 sure of returns and return information for purposes other  
10 than tax administration) is amended by adding at the end  
11 the following:

12           “(17) DISCLOSURE OF TAXPAYER RETURN IN-  
13 FORMATION TO SOCIAL SECURITY ADMINISTRATION  
14 FOR PURPOSES OF COLLECTING PREMIUMS FOR A  
15 SSDI OPTIONS PROGRAM PARTICIPANT.—

16           “(A) IN GENERAL.—The Secretary shall,  
17 upon written request from the Secretary of  
18 Health and Human Services, disclose to the  
19 Secretary with respect to a SSDI OPTIONS  
20 program participant identified in the request  
21 whether or not (and the amount by which) the  
22 participant’s earned income for any taxable  
23 year specified in the request exceeded the  
24 amount specified in section 1818B(d)(2)(B).

1           “(B) RESTRICTION ON USE.—Return in-  
 2           formation disclosed under subparagraph (A)  
 3           may be used by officers and employees of the  
 4           Department of Health and Human Services (or  
 5           of the Social Security Administration if section  
 6           1818B(d)(7) of the Social Security Act applies)  
 7           only for the purposes of, and to the extent nec-  
 8           essary in, establishing a participant’s correct  
 9           premium under section 1818B of the such Act.

10           “(C) DEFINITIONS.—For purposes of this  
 11           paragraph, any term used that is also used in  
 12           section 1818B of the Social Security Act shall  
 13           have the meaning given such term by such sec-  
 14           tion.”.

## 15           **TITLE III—DEMONSTRATION** 16           **PROJECTS AND OUTREACH**

### 17           **SEC. 301. DEMONSTRATION PROJECTS.**

18           (a) EXTENSION OF DISABILITY INSURANCE PRO-  
 19           GRAM DEMONSTRATION PROJECT AUTHORITY.—Section  
 20           505 of the Social Security Disability Amendments of 1980  
 21           (42 U.S.C. 1310 note) is amended—

22                   (1) in subsection (a)—

23                           (A) in paragraph (1)—

24                                   (i) by inserting “(A)” after “(1)”;

1 (ii) by striking “(A) various” and in-  
2 serting “(i) various”;

3 (iii) by striking “and (B)” and insert-  
4 ing “, (ii)”;

5 (iv) by striking the period and insert-  
6 ing “, and (iii) implementing sliding scale  
7 benefit offsets using variations in the  
8 amount of the offset as a proportion of  
9 earned income, the duration of the offset  
10 period, and the method of determining the  
11 amount of income earned by the bene-  
12 ficiaries, and using state-of-the-art infor-  
13 mation technology and electronic funds  
14 transfer technology to streamline the re-  
15 porting of data and the implementation of  
16 the offsets, and developing and making  
17 available to beneficiaries, their families,  
18 guardians, and advocates, through the  
19 Internet information regarding work incen-  
20 tives and assistance for beneficiaries to  
21 make informed decisions regarding work.”;  
22 and

23 (v) by adding at the end the following:  
24 “(B) The Commissioner may expand the scope of any  
25 experiment or demonstration project described in subpara-

1 graph (A) to include any group of participants with im-  
 2 pairments that reasonably may be presumed to be dis-  
 3 abled, and may limit any such experiment or demonstra-  
 4 tion project to any such group of individuals, subject to  
 5 the terms of such experiment or demonstration project.  
 6 The Commissioner shall define the extent of any presump-  
 7 tion that is the basis for an expansion described in the  
 8 preceding sentence.”;

9 (B) in paragraph (3), by striking “1996”  
 10 and inserting “1999”; and

11 (C) in paragraph (4), by striking “of the  
 12 succeeding years through 1995” and inserting  
 13 “year thereafter”; and

14 (2) in subsection (c), by striking “October 1,  
 15 1996” and inserting “1 year after the conclusion of  
 16 each such experiment and demonstration project”.

17 (b) REQUIREMENTS FOR CONSIDERATION OF WAIV-  
 18 ERS TO REDUCE WORK DISINCENTIVES.—Section 1115  
 19 of the Social Security Act (42 U.S.C. 1315) is amended  
 20 by inserting after subsection (c) the following:

21 “(d)(1) In the case of any request for a waiver under  
 22 this section that is for the purpose of conducting an exper-  
 23 imental, pilot, or demonstration project that is designed  
 24 to reduce work disincentives for individuals with disabil-  
 25 ities, the Secretary shall take into account reductions in

1 payments made to such individuals under titles II and  
2 XVI, and other reductions in Federal expenditures that  
3 are related to Federally-subsidized assistance for, or sup-  
4 port of, such individuals, when the reduced expenditures  
5 are related to the fact that the individuals have earned  
6 income.

7       “(2)(A) Not later than 90 days after the date the  
8 Secretary receives a request to conduct an experimental,  
9 pilot, or demonstration project that is designed to reduce  
10 work disincentives for individuals with disabilities and that  
11 is limited to not more than 5000 such individuals, the Sec-  
12 retary shall approve or disapprove the request, or inform  
13 the State that specified additional information is needed  
14 to review the request.

15       “(B) In the case of a request described in subpara-  
16 graph (A) in which the Secretary has specified that addi-  
17 tional information is needed, the Secretary shall approve  
18 or disapprove the request not later than 90 days after the  
19 date the additional information is submitted.”.

20       (c) SENSE OF CONGRESS REGARDING ADDITIONAL  
21 DEMONSTRATION PROJECTS.—It is the sense of Congress  
22 that the Commissioner of Social Security and the Sec-  
23 retary of Health and Human Services should establish ad-  
24 ditional demonstration projects to assist individuals with  
25 disabilities engage in work.

1 **SEC. 302. INFORMATION AND OUTREACH REGARDING**  
2 **WORK OPPORTUNITIES FOR INDIVIDUALS**  
3 **WITH A DISABILITY.**

4 (a) **ESTABLISHMENT.**—The Commissioner of Social  
5 Security shall establish and conduct directly, or through  
6 grants, contracts, or interagency agreements, an ongoing  
7 program of outreach to individuals with disabilities who  
8 are potentially eligible to participate in the OPTIONS pro-  
9 gram established under part D of title XI of the Social  
10 Security Act or to engage in substantial gainful activity  
11 in accordance with subsections (a) and (b) of section 1619  
12 of such Act (42 U.S.C. 1382h) and to the families of such  
13 individuals.

14 (b) **REQUIREMENTS.**—Under the program estab-  
15 lished in accordance with this section, the Commissioner  
16 of Social Security shall—

17 (1) prepare and disseminate information ex-  
18 plaining the OPTIONS program established under  
19 part D of title XI of the Social Security Act and the  
20 opportunity to engage in substantial gainful activity  
21 in accordance with subsections (a) and (b) of section  
22 1619 of such Act (42 U.S.C. 1382h); and

23 (2) work in cooperation with other Federal,  
24 State, and private agencies and nonprofit organiza-  
25 tions that serve disabled individuals, and with agen-

1       cies and organizations that focus on vocational reha-  
2       bilitation and work-related training and counseling.

### 3       **TITLE IV—MISCELLANEOUS**

#### 4       **SEC. 401. REPORT AND RECOMMENDATIONS TO CONGRESS.**

5       Not later than 12 months after the date of enactment  
6 of this Act, the Commissioner of Social Security and the  
7 Secretary of Health and Human Services shall jointly sub-  
8 mit to Congress a report containing recommendations for  
9 any administrative or legislative changes, including to the  
10 OPTIONS program for working individuals with disabil-  
11 ities established under part D of title XI of the Social Se-  
12 curity Act (and the health care benefits provided under  
13 sections 1818B and 1929A of such Act), that the Commis-  
14 sioner and the Secretary determine would be appropriate  
15 to reduce work disincentives for individuals with disabil-  
16 ities.

#### 17       **SEC. 402. EFFECTIVE DATES.**

18       (a) IN GENERAL.—Except as provided in subsections  
19 (b) and (c), this Act takes effect on the date of enactment  
20 of this Act.

21       (b) EXCEPTIONS.—The amendments made by titles  
22 I and II shall take effect on the date that is 1 year after  
23 the date of enactment of this Act.

24       (c) EXTENSION OF EFFECTIVE DATE FOR STATE  
25 LAW AMENDMENT.—In the case of a State plan under

1 title XIX of the Social Security Act that the Secretary  
2 of Health and Human Services determines requires State  
3 legislation in order for the plan to meet the additional re-  
4 quirements imposed by the amendments made in section  
5 201 of this Act, the State plan shall not be regarded as  
6 failing to comply with the requirements of such title solely  
7 on the basis of its failure to meet these additional require-  
8 ments before the first day of the first calendar quarter  
9 beginning after the close of the first regular session of the  
10 State legislature that begins after the date of enactment  
11 of this Act. For purposes of the previous sentence, in the  
12 case of a State that has a 2-year legislative session, each  
13 year of the session is considered to be a separate regular  
14 session of the State legislature.

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